

2014 Pharmaceutical Price Regulation Scheme (PPRS)

Aggregate Net Sales and Payment Information — 19 May 2016

TABLE 1 — Audited Annual PPRS Payment Sales Reports: Measured Spend in Growth Calculation by Calendar Year

	Aggregate Net Sales Subject to Medicines Bill Growth Calculation (Measured Spend)	
2013	£7,823M	
2014	£8,297M	£8,119M
2015		£8,101M

Table 1 Notes

Table 1 sets out aggregate information for calendar years 2013, 2014 and 2015 reported through 2014 PPRS members' audited annual PPRS Payment Sales Reports or best available information where the audited submissions have yet to be provided. For 2015 at this stage the total is the sum of unaudited quarterly data.

The information set out is the *Net sales subject to branded medicines bill growth calculation (Measured Spend)*¹.

Each column of the table contains a separate basket of companies for each growth calculation, which are dependent on the members of the scheme included in the growth calculation and ensuring that the same companies are in both the numerator and the denominator of the respective calculations.

The figures in all parts of Table 1 do not take into account the treatment of the Cancer Drugs Fund (CDF) in the growth calculation following the agreement reached on the CDF between the Department and the ABPI. The effect of this is that the excluded amounts are added to the Allowed Spend². The amount (net of VAT) added to Allowed Spend following the CDF agreement is:

Calendar year 2014 — £91M

TABLE 2 — Unaudited PPRS Payment Sales Reports: Measured Spend in Growth Calculation for 2014/2015 to 2015/2016

	Aggregate Net Sales Subject to Medicines Bill Growth Calculation (Measured Spend)
2014/2015	£4,117M
2015/2016	£4,116M

Table 2 Notes

Table 2 sets out aggregate information for the 2014/15 to 2015/16 growth calculation. This is derived from the unaudited quarterly PPRS Payment Sales Reports provided by members of the 2014 PPRS for the following periods:

<u>2014/2015 comprises</u> 2014 Q4 2015 Q1	<u>2015/2016 comprises</u> 2015 Q4 2016 Q1
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Table 2 will be updated at each quarterly publication point to reflect the information available which will be used in the next annual growth calculation (i.e. at each quarterly publication point between now and the publication of the 2016 Q3 information the latest available information will be included at Table 2).

The information set out is the *Net sales subject to branded medicines bill growth calculation (Measured Spend)*¹.

The figures in Table 2 do not take into account the treatment of the CDF in the growth calculation following the agreement reached on the CDF between the Department and the ABPI. The effect of this is that the excluded amounts are added to the Allowed Spend.

TABLE 3 — PPRS Payment Sales Reports: Net Sales Covered by the PPRS Payment and PPRS Payments Received by the Department of Health

	Aggregate Net Sales Covered by the PPRS Payment Column 1	Aggregate PPRS Payments Received by the Department of Health Column 2
2013	£7,903M	N/A
2014	£8,300M	£310M
2015 Q1	£2,005M	£208M
2015 Q2	£2,022M	£209M
2015 Q3	£1,989M	£202M
2015 Q4	£2,092M	£220M
2016 Q1	£1,904M	£147M

Table 3 Notes

Table 3, which is derived from audited annual PPRS Payment Sales Reports and unaudited quarterly PPRS Payment Sales Reports provided by members of the 2014 PPRS, sets out aggregate annual audited and unaudited quarterly information showing net sales covered by the PPRS Payment and PPRS Payments received by the Department for the following periods:

<u>Audited</u>	<u>Unaudited</u>
2013	2015 Q1
2014	2015 Q2
	2015 Q3
	2015 Q4
	2016 Q1

There are two columns of information:

Column 1 — *Net sales covered by the PPRS Payment*³;

Column 2 — *PPRS Payments received by the Department of Health for the respective quarters*.

General Notes

Note 1: The information in all tables is that held on the Department of Health's PPRS Operations database at 19 May 2016.

Note 2: All tables are subject to future correction where errors are discovered or where audited data replaces best available data and will be updated at each quarterly publication point to reflect the latest available information. The audit and reconciliation arrangements are set out in paragraphs 6.24-6.30 and 6.37-6.40 of the PPRS.

Footnote 1: Measured spend is defined in paragraph 6.6 of the PPRS and means the spend which is controlled by the PPRS Payments mechanism. It includes sales of new products.

Footnote 2: The addition to the Allowed Spend follows the method set out in the revised addendum to the PPRS at <https://www.gov.uk/government/publications/pharmaceutical-price-regulation-scheme-2014>. The figure for 2014 is final. The figures for 2015 and following years will depend on the latest information on CDF spend.

Footnote 3: Sales covered by the PPRS Payment is defined at paragraph 6.7 of the PPRS. The percentage payment applies to these sales, which exclude sales of new products. Sales of new products are included in the calculation of the overall sum to be repaid across all member companies. However, products with a new active substance designation that were introduced after 31 December 2013 are excluded from the sales used to calculate the payment by each company.